



Media Release

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Australia Pacific LNG awards \$220m rig contract

Australia Pacific LNG has reached another milestone with the announcement today that it had awarded a \$220 million drilling and workover rig contract for the project.

The contract was awarded to Savanna Energy Services Pty Ltd (Savanna) for the provision of two proprietary hybrid drilling rigs and two workover rigs for a five year term from September 2010.

Savanna will create 50 jobs in Queensland to support the contract.

Australia Pacific LNG is a 50:50 coal seam gas (CSG) to liquefied natural gas (LNG) joint venture between Origin and ConocoPhillips.

Australia Pacific LNG Project Director Todd Creeger said the awarding of the rig contract was another milestone for the Australia Pacific LNG project.

"The Savanna contract will provide for four drilling and workover rigs which are built for purpose to deliver the safest, most efficient and cost effective wells.

"Importantly, these new rigs reduce the environmental impact on the land as they require a much smaller footprint for each well," he said.

Origin Executive General Manager Upstream Oil and Gas Paul Zealand said that, as upstream operator for the joint venture, Origin was very conscious of the improved safety levels and environmental impact associated with the rig, and their dedicated CSG capability when selecting Savanna and the hybrid rig technology.

"This contract is designed to provide the very latest in drilling and rig technology, supplement our existing drilling operations, and help us to meet our target of between 300 and 500 wells a year over the life of the project.

"Savanna won a very competitive tender process which attracted 50 rig providers from around the world. Importantly, the contract will include additional skills training for our workforce," he said.

Savanna President and Chief Executive Officer Ken Mullen welcomed the announcement and said the Australia Pacific LNG contract would be supported by a new base for Savanna in Queensland.

"Savanna is delighted to be involved in the Australia Pacific LNG project, and to be able to provide our proprietary state-of-the-art drilling and workover rigs for this significant new export industry," Mr Mullen said.



“Savanna will establish a new operational base in Queensland to support the contract and provide training and support facilities for local crews and rig management,” he said.

Final investment decision for the Australia Pacific LNG project is expected at the end of 2010 and the project’s Environmental Impact Statement is expected to be submitted to the Queensland Co-ordinator General in the first quarter of next year.

For further information please contact:

Media

Paul Turner
APLNG Communication Manager
Ph: 07 3867 0676
Mobile: 0429 078 331

Investors

Chris Giaouris
Manager Investor Communication
Ph: 02 8345 5556
Mobile: 0417 223 106

About Australia Pacific LNG

Australia Pacific LNG is a 50:50 Coal seam gas to Liquefied Natural Gas joint venture between Origin and ConocoPhillips. Origin and ConocoPhillips are leaders in the development of CSG and Australia Pacific LNG is already producing almost 40 per cent of Australia’s total CSG production to meet domestic market requirements. Australia Pacific LNG holds the largest CSG reserves in Australia. APLNG’s project stretches from the Surat and Bowen Basins along a 450km pipeline to a site at Laird Point on Curtis Island off Gladstone. Origin is Australia’s largest integrated energy company and ConocoPhillips is a leader in the development of LNG projects internationally including the existing plant in Darwin, Australia. Website: www.aplng.com.au